

## Message Text

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44

ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-07 FRB-03

INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03 SP-02

CIEP-01 LAB-04 SIL-01 OMB-01 SAM-01 AGR-05 /061 W

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R 031205Z FEB 76

FM AMEMBASSY LISBON

TO AMCONSUL MUNICH

INFO SECSTATE WASHDC 5883

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E.O. 11652: N/A

TAG: ELAB, SOPN, PO

SUBJ: STATISTICS FOR RARET WAGE NEGOTIATIONS

REF: 75 MUNICH 2769

1. COMPLETE CONSUMER PRICE INDEX FIGURES FOR FULL YEAR 1975 NOT YET AVAILABLE. DATA FOR FIRST TEN MONTHS OF 1975 SHOW A RISE IN LISBON OF 14.6 PERCENT. CONSUMER PRICE INDEX (NOT INCLUDING HOUSING) FOR LISBON ROSE 17.4 PERCENT BETWEEN DECEMBER 1974 AND DECEMBER 1975, WHILE FOOD COMPONENT ROSE 22.4 PERCENT. IT SHOULD, HOWEVER, BE NOTED THAT INDEX HAS NOT BEEN REVISED SINCE 1947, ALTHOUGH CONSUMPTION PATTERNS HAVE SINCE ALTERED GREATLY. ALSO, MANY ITEMS ON INDEX WERE UNDER PRICE CONTROLS. REAL INFLATION RATE WAS, THEREFORE, PROBABLY HIGHER THAN REFLECTED BY INDEX.

2. GOP IS ATTEMPTING TO RESTRICT WAGE INCREASES. IT HAS FROZEN COLLECTIVE LABOR NEGOTIATIONS UNTIL MARCH 31. HOWEVER, GOP ALLOWED FREEZE ON SALARIES ABOVE 12,500 ESCUDOS (ABOUT \$500) A MONTH TO LAPSE AS OF DECEMBER 31, 1975, AND APPARENTLY IS PERMITTING "CATCH-UP" RAISES IN THIS CATEGORY. MAXIMUM NATIONAL SALARY--48,900 ESCUDOS (\$1917) A MONTH GROSS, OR 35,000 ESCUDOS (\$1372) AFTER TAXES (75 LISBON 5216 NOTAL)--IS STILL IN EFFECT.

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3. GOP HAS STATED IT DESIRES TO REDUCE "SALARY INEQUALITIES,"

BUT OFFICIALS IN PRIVATE SECTOR INCREASINGLY ADMIT THAT MANAGE-  
MENT SALARIES WILL HAVE TO BE RAISED TO ATTRACT NECESSARY TALANET.  
MIDDLE-LEVEL AND BLUE-COLLAR WAGES AND BENEFITS MUST BE RESTRIC-  
TED TO BRING COSTS BACK INTO LINE WITH PRODUCTIVITY.  
CARLUCCI

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** WAGES, LABOR DATA, NEGOTIATIONS, PRICE INDEXES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 03 FEB 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** morefirh  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976LISBON00742  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
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**Office:** ACTION EUR  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Previous Handling Restrictions:** n/a  
**Reference:** 76 MUNICH 2769  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** morefirh  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 26 APR 2004  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <26 APR 2004 by woolfhd>; APPROVED <19 MAY 2004 by morefirh>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
04 MAY 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** STATISTICS FOR RARET WAGE NEGOTIATIONS  
**TAGS:** ELAB, PO  
**To:** MUNICH  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006